



# Making Home Affordable Program

Service Performance Report Through December 2009

## Overview of Administration Housing Stability Initiatives

### Initiatives to Support Access to Affordable Mortgage Credit and Housing

#### Lower Mortgage Rates and Access to Credit:

- Continued financial support to maintain affordable mortgage rates through the Government Sponsored Enterprises (GSEs)
- Interest rates down a full percentage point over the past year. Every 1% reduction in interest rate saves a borrower a median of \$1500 annually in mortgage payments.
- Access to sustainable mortgages through the Federal Housing Administration (FHA).

#### State and Local Housing Initiatives:

- Access for Housing Finance Agencies to provide mortgages to first-time homebuyers, refinance opportunities for at-risk borrowers, and affordable rental housing.

#### Tax Credits for Housing:

- Homebuyer credit to help homebuyers buy new homes.
- Low-Income Housing Tax Credit (LIHTC) programs to support affordable rental housing.

### Initiatives to Prevent Avoidable Foreclosures and Stabilize Neighborhoods

#### Making Home Affordable – Modifications:

- Goal of offering 3-4 million homeowners lower mortgage payments through a modification through 2012.
- Over 900,000 homeowners have started trial modifications and over 1 million offers for trial modifications have been extended to borrowers.
- Homeowners in permanent modifications are saving a median of over \$500 per month on mortgage payments. In aggregate, homeowners have saved over \$1.5 billion through modifications.

#### Making Home Affordable – Refinancing:

- Refinancing flexibility and low mortgage rates, which have allowed over 3.8 million borrowers to refinance, saving an estimated \$150 per month on average and more than \$6.8 billion in total over the first year.

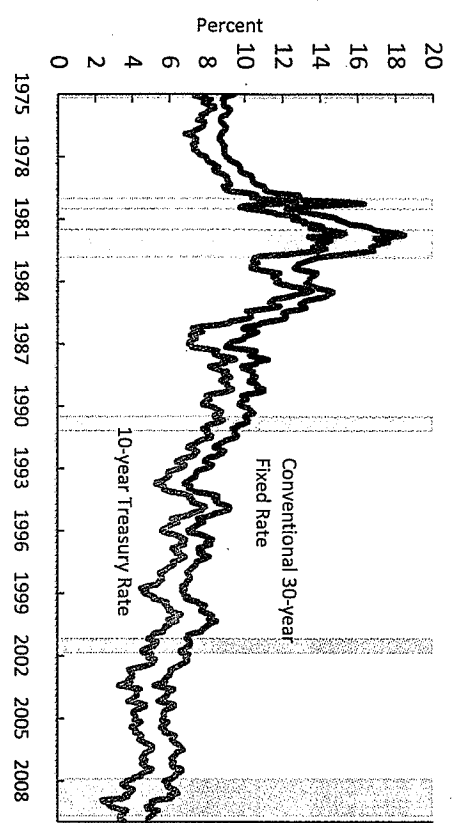
#### Neighborhood Stabilization and Community Development Programs:

- Support for the hardest hit communities to help stabilize neighborhoods.

# Making Home Affordable Program

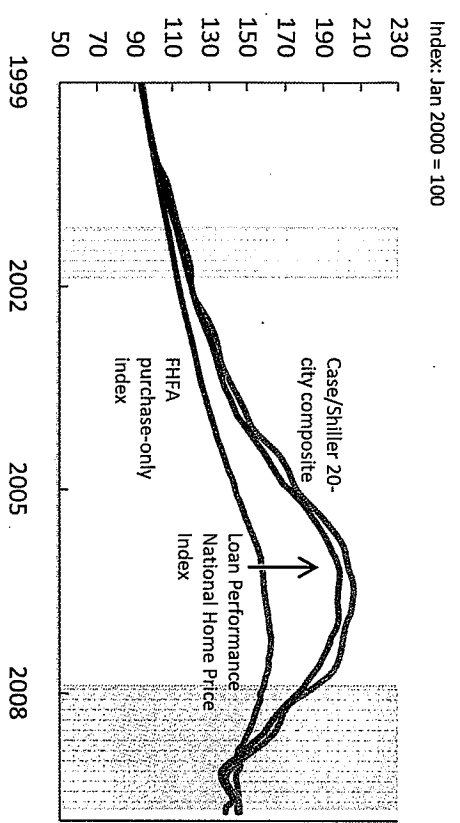
Service Performance Report Through December 2009

## Mortgage Rates



Source: Federal Reserve.

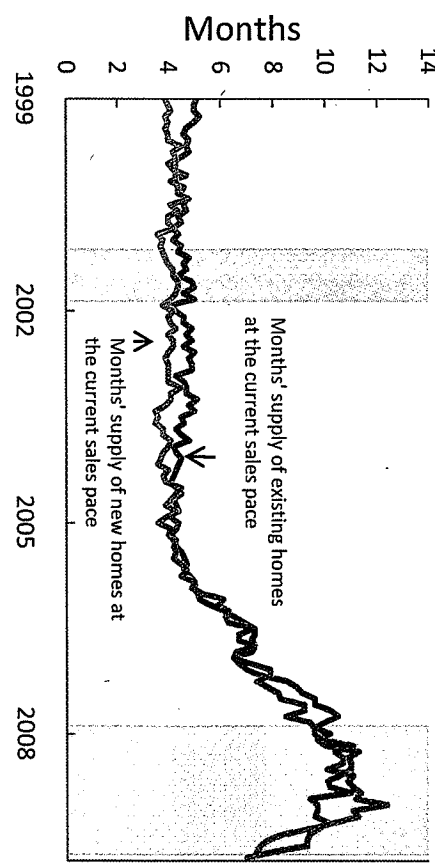
## Home Prices



Sources: S&P/Case-Shiller Home Price Index; LP/Haver Analytics; FHFA.

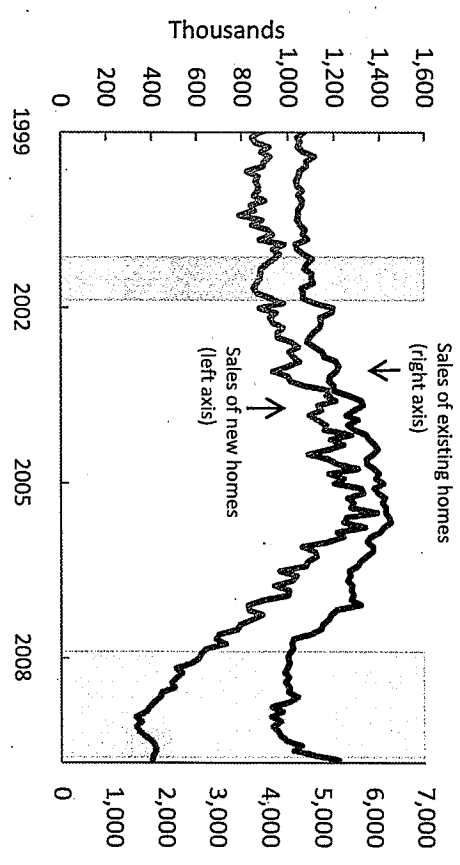
Note: Shaded areas indicate recessions.

## Housing Inventory



Source: National Association of Realtors.

## New and Existing Home Sales



Source: National Association of Realtors, Census Bureau.

# Making Home Affordable Program

## Servicer Performance Report Through December 2009

### Home Affordable Modification Program (HAMP) Snapshot through December 2009

Number of Trial Period Plan Offers Extended to Borrowers (Cumulative) <sup>1</sup>	1,164,507
All HAMP Trials Started Since Program Inception <sup>2</sup>	902,620
All Active Modifications (Trial and Permanent)	853,696
Active Trial Modifications <sup>2</sup>	787,231
Permanent Modifications <sup>3</sup>	66,465
Permanent Modifications Pending Borrower Acceptance <sup>4</sup>	46,056
Total Permanent Modifications Approved by Servicers <sup>5</sup>	112,521

<sup>1</sup>Source: Survey data provided by servicers.

<sup>2</sup>As reported by the HAMP system of record.

<sup>3</sup>Active permanent modifications as reported by servicers into the HAMP system of record.

<sup>4</sup>As reported by servicers in Treasury's Conversion Campaign. Pending permanent modifications are those pending final signature of the borrower plus completed modifications not yet in the HAMP system of record. While pending, modifications are reflected in the count of active trials.

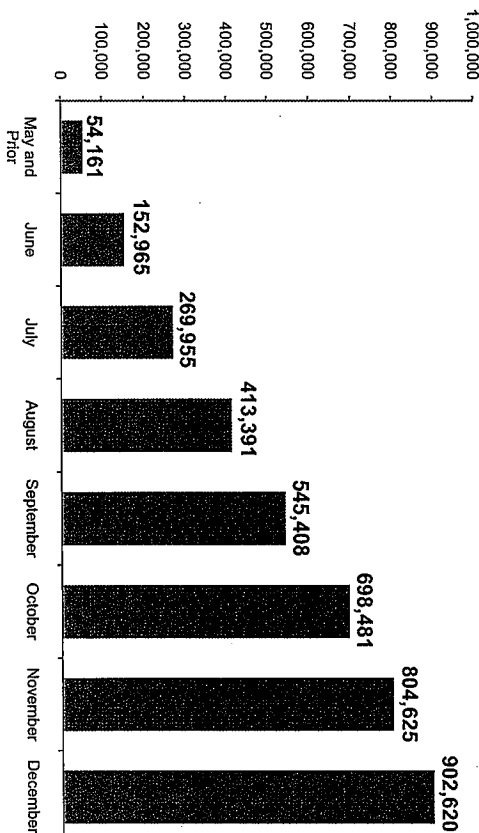
<sup>5</sup>Permanent modifications in the HAMP system of record and pending modifications as reported by servicers in Treasury's Conversion Campaign. Pending permanent modifications are those pending final signature of the borrower plus completed modifications not yet in the HAMP system of record. While pending, modifications are reflected in the count of active trials.

### HAMP Program Highlights

- Approximately 89% of eligible mortgage debt outstanding is covered by HAMP participating servicers.
- During the 4<sup>th</sup> quarter, the number of servicers who have signed servicer participation agreements to modify loans under HAMP rose from 63 to 102. In addition, approximately 2,300 lenders service loans owned or guaranteed by Fannie Mae or Freddie Mac. These servicers are automatically eligible to participate in HAMP.
- In the 4<sup>th</sup> quarter, the volume of active trial and permanent modifications rose by more than 75% from the 3<sup>rd</sup> quarter.
- The December Conversion Campaign resulted in an increase in the number of permanent modifications of more than 100%. In addition, more than 46,000 offers for permanent modifications have been sent to borrowers and will be reported to the HAMP system of record once they have been signed and returned to the servicer.

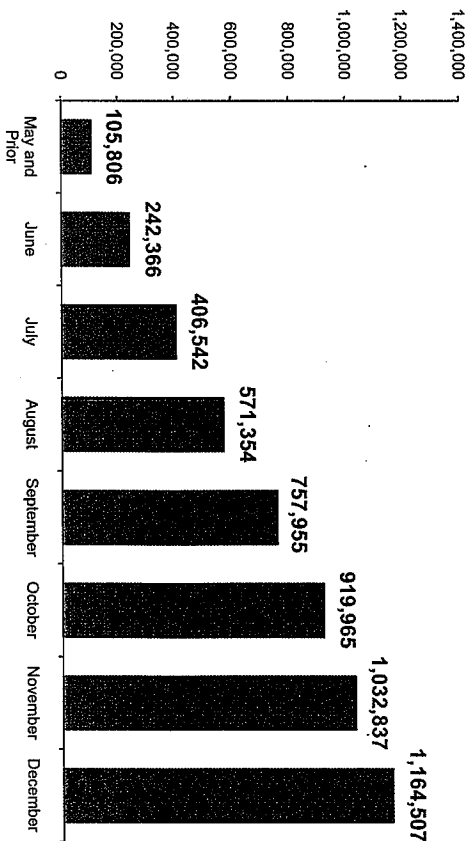
Additional information on HAMP can be found on [MakingHomeAffordable.gov](http://MakingHomeAffordable.gov) or by calling the Homeowner's HOPE Hotline at 1-888-995-HOPE (4673).

### HAMP Trials Started (Cumulative, by Month)



Source: All trial modifications started by month first payment posted; based on numbers reported by servicers to the HAMP system of record.

### HAMP Trial Plans Offered to Borrowers (Cumulative, by Month)



Source: Survey data provided by servicers. September data includes October 1. October data is 102 through 10/29. November data is through Nov. 26.

# Making Home Affordable Program

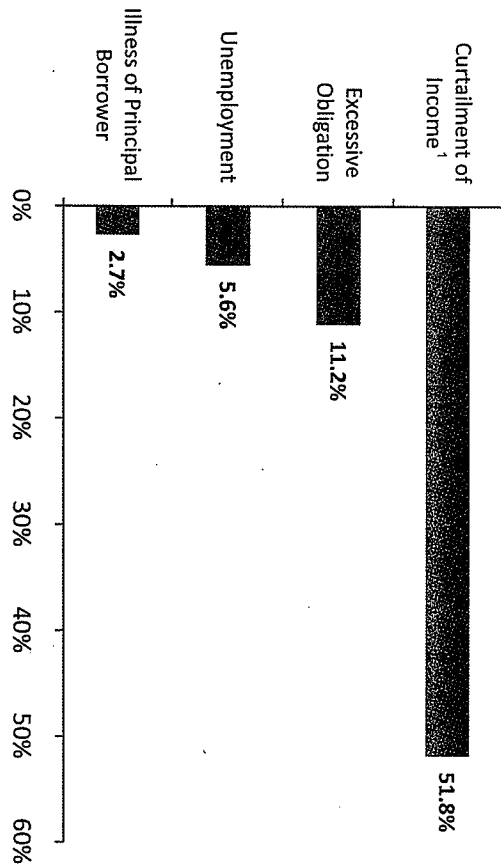
## Servicer Performance Report Through December 2009

- Borrowers in active trial and permanent modifications have saved more than \$1.5 billion through HAMP modifications.
- Loss of income is the primary borrower hardship.

### Permanent Modifications by Waterfall Step:

Interest Rate Reduction	100%
Term Extension	43.2%
Principal Forbearance	26.6%

### Predominant Hardship Reasons for Permanent Modifications



<sup>1</sup> Curtailment of income refers to borrowers who are employed but have faced a reduction in hours and/or wages. Note: Does not include 19.3% of permanent modifications reported as Other.

### Select Median Characteristics of Permanent Modifications

Loan Characteristic	Before Modification	After Modification	Decrease
Front-End Debt-to-Income Ratio <sup>1</sup>	45.0%	31.0%	-14.1 pct pts
Back-End Debt-to-Income Ratio <sup>2</sup>	72.2%	55.1%	-14.7 pct pts
Median Monthly Payment <sup>3</sup>	\$1,418.93	\$829.96	-\$516.14

<sup>1</sup> Ratio of housing expenses (principal, interest, taxes, insurance and homeowners association and/or condo fees) to monthly gross income. Decrease cited is median decrease.

<sup>2</sup> Ratio of total monthly debt payments (including mortgage principal and interest, taxes, insurance, homeowners association and/or condo fees, plus payments on installment debts, junior liens, alimony, car lease payments and investment property payments) to monthly gross income. Decrease cited is median decrease.

<sup>3</sup> Decrease cited is median decrease.

# Making Home Affordable Program

## Servicer Performance Report Through December 2009

### HAMP Modification Activity by Servicer

Servicer	Estimated Eligible 60+ Day Delinquency	Trial Period Offered	HAMP Modifications Started	Active Trial Modifications	Permanent Modifications	Permanent Modifications Handled	Active Trial Modifications as a Share of Eligible 60+ Day Delinquencies
American Home Mortgage Servicing Inc.	124,262	14,243	10,918	10,658	232		9%
Aurora Loan Services, LLC <sup>4</sup>	78,225	41,259	36,618	21,912	4,662	2,737	34%
Bank of America, NA <sup>5</sup>	1,046,008	292,305	206,775	200,287	3,183	9,178	19%
Bank United	5,422	959	685	683	2		13%
Bayview Loan Servicing, LLC	10,183	4,170	3,653	3,398	106		34%
Carrington Mortgage Services LLC	18,937	2,598	1,507	899	608		8%
CCO Mortgage	5,304	1,474	1,132	1,127	5		21%
CitiMortgage, Inc. <sup>6</sup>	241,981	139,812	119,097	107,999	4,999	6,968	47%
Franklin Credit Management Corporation	9,557	32	0	0	0		0%
GMAC Mortgage, Inc.	69,281	42,411	32,159	20,672	9,872	2,733	44%
Green Tree Servicing LLC	10,927	4,838	3,455	3,268	87		31%
HomeEq Servicing	41,817	2,630	1,753	1,662	0		4%
J.P. Morgan Chase Bank, NA <sup>7</sup>	424,965	210,553	156,359	146,828	7,139	5,518	36%
Litton Loan Servicing LP	111,260	25,641	21,113	17,377	959		16%
Nationstar Mortgage LLC	49,026	21,902	14,588	12,176	1,277		27%
Ocwen Financial Corporation, Inc.	64,797	17,557	12,884	7,427	5,332	2,256	20%
OneWest Bank	112,846	41,950	24,284	23,012	1,226		21%
PNC Mortgage <sup>8</sup>	41,136	19,413	13,237	12,153	61		30%
Saxon Mortgage Services, Inc.	72,709	39,843	36,406	30,914	2,497	5,853	46%
Select Portfolio Servicing	63,690	46,918	29,280	17,399	4,675		35%
US Bank NA	28,524	10,103	7,404	6,984	418		26%
Wachovia Mortgage, FSB <sup>9</sup>	82,990	9,199	2,437	2,046	344	725	3%
Wells Fargo Bank, NA	350,169	172,541	126,413	110,284	8,424	10,088	34%
Other SPA servicers <sup>10</sup>	20,463	2,156	1,414	928	457		7%
Other GSE Servicers <sup>11</sup>	272,365	NA	39,049	27,138	9,880		14%
<b>Total</b>	<b>3,356,844</b>	<b>1,164,507</b>	<b>902,620</b>	<b>787,231</b>	<b>66,465</b>	<b>46,056</b>	<b>25%</b>

<sup>1</sup> Estimated eligible 60+ day delinquent mortgages as reported by servicers as of November 30, 2009 include conventional loans:

- in foreclosure and bankruptcy
- with a current unpaid principal balance less than \$729,750 on a one-unit property, \$934,200 on a two-unit property, \$1,129,250 on a three-unit property and \$1,403,400 on a four-unit property;
- on a property that was owner-occupied at origination;
- originated prior to January 1, 2009.

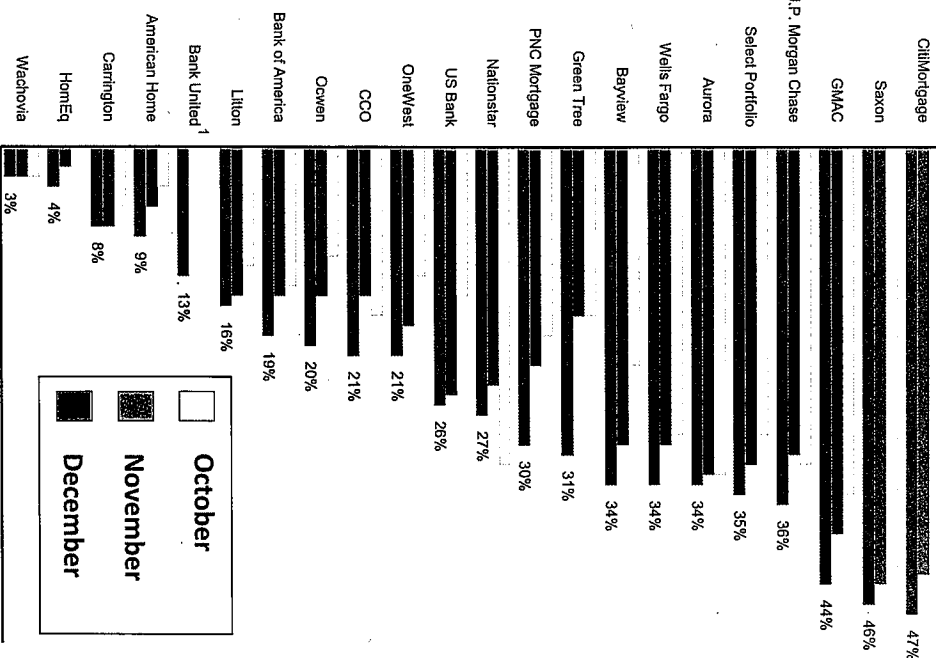
Estimated eligible 60+ day delinquent loans excludes:

- FHA and VA loans;
- loans that are current or less than 60 days delinquent, which may be eligible for HAMP if a borrower is in imminent default.

Servicers enrolling after December 1 did not participate in the 60+ day delinquency survey; their delinquency count is from the servicer registration form.

<sup>2</sup> Active trial and permanent modifications as reported into the HAMP system of record by servicers.

### Active Modifications as a Share of Estimated Eligible 60+ Day Delinquencies



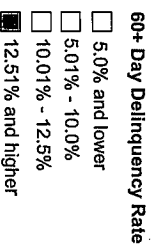
<sup>1</sup> Bank United began participation on October 23, 2009.

Note: Includes active trial and permanent modifications. Servicer combinations are the same as the table at left.

October trials as a share of 60+ day delinquencies on September 30, 2009. November trials as a share of 60+ day delinquencies on October 31, 2009. December trials as a share of 60+ day delinquencies on November 30, 2009.

## HAMP Activity by State

**Note:** Includes active trial and permanent modifications from the official HAMP system of record



Source: Mortgage Bankers Association. Data is as of 3<sup>rd</sup> Quarter 2009

## 15 Metropolitan Areas With Highest HAMP Activity

### HAMP Modifications by Investor Type (20 Largest Servicers)

<sup>1</sup> Bank of America, NA includes Bank of America, NA, BAC Home Loans Servicing LP, Home Loans Services and Walshte Credit Corporation.  
<sup>2</sup> J.P. Morgan Chase Bank, NA includes EMC Mortgage Corporation.  
<sup>3</sup> Loans previously reported as portfolio have been restated as private per supplemental guidance from Treasury.  
<sup>4</sup> Fomery National City Bank.  
<sup>5</sup> Wachovia Mortgage FSB includes Wachovia Bank, NA.

Note: Figures reflect active trials and permanent modifications.

A complete list of HAMP activity for all MSAs is available at <http://www.financialstability.gov/docs/press/MSA%20Data%20December.pdf>